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HCFRA

MEDICARE · MEDICAID

Health Care Financing Administration

at a glance....



*HCFRA...committed to assuring
health care security for its
beneficiaries*

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WHAT IS HCFA?

The Health Care Financing Administration (HCFA) is a federal agency within the U.S. Department of Health and Human Services. It was created in 1977 to administer the Medicare and Medicaid programs -- two national health care programs that benefit more than 72 million Americans.

What does HCFA do?

While HCFA mainly acts as a purchaser of health care services for Medicare and Medicaid beneficiaries, it also:

- ▶ Assures that Medicare and Medicaid are properly administered by its contractors and state agencies;
- ▶ Establishes policies for the reimbursement of health care providers
- ▶ Conducts research on the effectiveness of various methods of health care management, treatment, and financing;
- ▶ Assesses the quality of health care facilities and services.

HCFA's programs are administered by agency staff working in its Baltimore, Maryland headquarters and in ten regional offices nationwide. The headquarters staff are responsible for the national direction of the Medicare and Medicaid programs. The regional office staff provide HCFA with the local presence necessary for quality customer service and oversight.

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PROGRAM INTEGRITY

Equally important among HCFA's responsibilities is protecting the fiscal integrity of Medicare and Medicaid.

Working with other federal departments and state and local governments, HCFA has a comprehensive program to combat fraud and abuse. Strong enforcement action against those who commit fraud and abuse will protect taxpayer dollars and guarantee security for Medicare and Medicaid.

QUALITY ASSURANCE AND IMPROVEMENT

HCFA has an important program to improve the quality of medical care provided to Medicare and Medicaid beneficiaries. This quality improvement program includes:

- ▶ developing and enforcing standards through surveillance;
- ▶ measuring and improving outcomes of care;
- ▶ educating health care providers about quality improvement opportunities; and
- ▶ educating beneficiaries to make good health care choices.

CHOICES FOR BENEFICIARIES

Both Medicare and Medicaid are in a state of rapid change. This means that beneficiaries will have more choices than ever before about what type program in which to enroll. Managed care, ranging from HMOs to primary care case management, provide many options today. And, traditional fee for service still remains a choice of many.

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MEDICARE

Who Qualifies?

HCFA administers Medicare, the nation's largest health insurance program, which covers 37 million Americans. Medicare provides health insurance to:

- ▶ people who are at least 65 years old;
- ▶ people who are disabled; and
- ▶ people with permanent kidney failure.

What are the benefits?

Medicare has two parts: Hospital Insurance (Part A) and Medical Insurance (Part B).

Medicare Part A provides coverage of inpatient hospital services, skilled nursing facilities, home health services, and hospice care.

Medicare Part B helps pay for the cost of physician services, outpatient hospital services, medical equipment and supplies, and other health services and supplies.

Where to apply?

Qualified individuals can enroll in Medicare by completing an application form at their local Social Security Administration office.

MEDICAID

Medicaid is a health insurance program for certain low-income and needy people. It is funded and administered through a State-Federal partnership.

Who Qualifies?

There are about 35 million people who are eligible for Medicaid. These people include: families on welfare (AFDC); aged, blind or disabled people on SSI; certain low-income pregnant women and children; and people who have very high medical bills.

What are the benefits?

Although there are broad federal requirements for Medicaid, states have a wide degree of flexibility to design their program. States have the authority to:

- ▶ establish eligibility standards;
- ▶ determine what benefits and services to cover; and
- ▶ set payment rates.

Because states have flexibility in structuring their Medicaid programs, there are variations from state-to-state.

Where to apply?

Qualified individuals can apply for Medicaid at local state welfare offices, state public health departments, and state social service agencies.

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